



Montgomery County Council

For Immediate Release

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COUNCIL COMMITTEE RECOMMENDS COUNTYWIDE IMPACT TAX

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The Montgomery County Council's Management and Fiscal Policy Committee at a worksession this week, recommended changes to the county's impact tax legislation that satisfy three of the four concerns which caused the County Executive to veto a previous version of the bill.

The impact tax, which would be used for major transportation projects, requires developers to pay a levy on all new development with certain exemptions.

"This compromise achieves the majority of the County Executive's goals while adding significant revenue for much-needed transportation projects," Praisner said.

The legislation exempts development that includes at least 20 percent affordable housing and bioscience projects. It also delays the effective date of the legislation by three months so certain approved projects will not be subject to the tax.

While the Executive recommended that revenue generated by the impact tax be applied solely to large transportation projects, such as road improvements, the committee would allow up to 10 percent to be spent on trails, bike lockers, and other alternatives to driving.

The legislation, as recommended by the Committee, would create one Countywide impact tax district with uniform rates, rather than four districts with varying tax rates as proposed by the Executive. The Committee supports one district to retain flexibility to use funds where transportation improvements are most needed and not limit the improvements to a particular district. Further, a Countywide rate will not favor development in certain areas of the County over others.

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